

ATTORNEY GENERAL[61]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 261F.4(6), the Attorney General hereby gives Notice of Intended Action to adopt new Chapter 37, “Required Disclosures for Philanthropic Contributions Made by Certain Student Loan Lenders to Certain Educational Institutions,” Iowa Administrative Code.

The provisions of Iowa Code chapter 261F govern educational loans. Iowa Code section 261F.4(6) requires the Attorney General to adopt rules providing for disclosures relating to philanthropic contributions made as specified in Iowa Code section 261F.1(5)“d.” The proposed rule includes the disclosure requirements for lenders and for educational institutions.

Any interested person may make written suggestions or comments on the proposed rule prior to June 22, 2012. Such written materials should be directed to William L. Brauch, Director, Consumer Protection Division, Iowa Attorney General’s Office, Hoover State Office Building, 1305 E. Walnut Street, Des Moines, Iowa 50319; fax (515)281-6771; or via E-mail to Consumer@Iowa.gov. Persons who wish to convey their views orally should contact Mr. Brauch at (515)281-5926 or at the office of the Consumer Protection Division on the second floor of the Hoover State Office Building.

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code section 261F.4(6).

The following amendment is proposed.

Adopt the following **new** 61—Chapter 37:

CHAPTER 37

REQUIRED DISCLOSURES FOR PHILANTHROPIC CONTRIBUTIONS MADE BY CERTAIN STUDENT LOAN LENDERS TO CERTAIN EDUCATIONAL INSTITUTIONS

61—37.1(261F) Required disclosures by educational loan providers and covered institutions relating to certain philanthropic contributions.

37.1(1) Definitions. The terms “borrower,” “covered institution,” “educational loan,” “gift,” “lender,” “lending institution,” “preferred lender arrangement,” and “preferred lender list” have the same meaning as those terms are defined in Iowa Code section 261F.1.

a. The term “de minimus” means a monetary amount or fair market value of \$100 or less, as applicable. For the purposes of this chapter, a gift from a lending institution is not de minimus if the cumulative sum of all such monetary and other gifts from the lending institution to the covered institution exceeds \$100 in the same calendar year.

b. The term “monetary value” relating to a nonmonetary philanthropic contribution means the fair market value of the contribution. The contributor must consider all the facts and circumstances connected with the contribution in determining fair market value, including but not limited to the use, desirability to the recipient, scarcity of the contributed product or service and the average price the recipient would pay to purchase the contributed product or service.

c. The term “philanthropic contribution” means a charitable contribution that is unrelated to educational loans from a lending institution to a covered institution and is not de minimus.

37.1(2) A covered institution with a preferred lender list that has received a philanthropic contribution from a preferred lender during the current calendar year or either of the two prior calendar years shall do each of the following:

a. Include one of the following on all preferred lender lists:

(1) A clear and conspicuous statement of all philanthropic contributions received from preferred lenders during the current calendar year and the two prior calendar years, including the monetary value and nature of each contribution.

(2) A hyperlink to the covered institution's primary public Web site related to private educational loans to the statement required pursuant to paragraph 37.1(2) "b."

b. Post for public viewing on the covered institution's primary public Web site related to private educational loans a clear and conspicuous statement of all philanthropic contributions received from preferred lenders during the current calendar year and the two prior calendar years, including the monetary value and nature of each contribution, or maintain a hyperlink displayed on that Web site that links the reader to the required statement.

37.1(3) A lender in a preferred lender arrangement with a covered institution shall do each of the following within 30 business days of making a philanthropic contribution to the covered institution:

a. Disclose to the attorney general the existence, monetary value and nature of the philanthropic contribution. The disclosure shall be sent to: Director, Consumer Protection Division, 1305 E. Walnut Street, Des Moines, Iowa 50319. The attorney general may post the disclosure on the attorney general's Web site.

b. Post for public viewing on the lender's primary public Web site related to private educational loans a clear and conspicuous statement of all philanthropic contributions made to covered institutions during the current calendar year and the two prior calendar years, including the monetary value and nature of each contribution, or maintain a hyperlink displayed on that Web site that links the reader to the required statement.

37.1(4) A charitable contribution unrelated to educational loans that is made by an employee or member of the board of directors of a lending institution to a covered institution is not a philanthropic contribution pursuant to Iowa Code chapter 261F and this rule so long as the lending institution does not represent the donor as being the lending institution or as an employee or member of the board of directors of the lending institution, as applicable, unless required by law.

This rule is intended to implement Iowa Code section 261F.4(6).